

1 A Yes.

2 Q But that was not related to Corinthian?

3 A No.

4 Q So the only work you did on computers -- on  
5 Corinthian computers was to notate your tests?

6 A Yeah. I managed my testing.

7 Q Managed testing?

8 A With the computer.

9 Q And did you have a account that gave you access  
10 to the Corinthian system -- the Corinthian data system?

11 A No.

12 Q So sort of Corinthian corporate documents, did  
13 you have an access to that?

14 A No. No, I didn't.

15 Q So the only -- so what did you have access to?  
16 The Internet?

17 A Yes, I did.

18 Q And you had access to Word?

19 A Yes, I -- in San Francisco, I didn't have access  
20 to Internet.

21 Q Okay.

22 A I just had a desktop computer, and that was it.

23 Q And --

24 A In San Jose, I did have access to the Internet.

25 Q And what did you have access to on your computer?

1 A Just Microsoft Word.

2 Q Just Microsoft Word?

3 A Yeah.

4 Q Anything else?

5 A No.

6 Q And so you -- and so you annotated your tests on  
7 Microsoft Word?

8 A Yes, I documented my activities.

9 Q You documented your test-proctoring activities?

10 A Yes.

11 Q And you did nothing else on those computers?

12 A No.

13 Q And just to get the record clear, you didn't have  
14 access to any sort of Corinthian database or set of  
15 corporate documents?

16 A No.

17 MR. LEVY: Objection to form.

18 THE WITNESS: No.

19 BY MR. PHADKE:

20 Q You were never an admissions representative;  
21 right?

22 A No.

23 Q And you were never director of admissions; right?

24 A No.

25 Q So you were never responsible for admitting or

1 recruiting students; right?

2 A No.

3 Q And your pay was never based on any compensation  
4 policies that covered ad reps; right?

5 A No.

6 Q And it was never based on any compensation  
7 policies that covered directors of admission; right?

8 A No.

9 Q And you never gave any ad rep a performance  
10 evaluation; right?

11 A Could you state that question again?

12 Q As a test proctor -- I mean, as a test proctor,  
13 you never gave any ad rep a performance evaluation;  
14 correct?

15 A No.

16 Q And you never gave a DOA a performance  
17 evaluation?

18 A No.

19 Q Right?

20 As a test proctor, had you ever seen the forms  
21 which DOAs used to give performance evaluations?

22 A No.

23 Q As a test proctor, had you ever seen the forms  
24 which DOAs gave to -- DOAs looked at in considering  
25 promotional criteria?

1 A Yes.

2 Q When did you see those?

3 A When? I don't remember exactly when.

4 Q You don't remember when?

5 A No.

6 Q Do you know who showed them to you?

7 A Who showed 'em to me?

8 Q Do you know who showed 'em to you?

9 A Yes.

10 Q Who?

11 A Nyoka.

12 Q Nyoka showed them to you. Aside from what Nyoka  
13 showed you, had you ever seen the forms that were used to  
14 determine whether ad reps got -- got compensation bonuses  
15 or incentive pay?

16 A I said Nyoka ... I think -- I'm not sure.

17 Q So you have no recollection of seeing any -- any  
18 documents that discuss ad rep compensation besides what  
19 Nyoka showed you?

20 MR. LEVY: Objection to form.

21 THE WITNESS: I think I saw documents that John Chacon  
22 and Susan Newman ....

23 BY MR. PHADKE:

24 Q So in your work as a test proctor, you never saw  
25 documents that -- that covered ad rep compensation?

1 MR. LEVY: Objection to form.

2 THE WITNESS: No.

3 BY MR. PHADKE:

4 Q And you only ever saw those based on what Nyoka  
5 Lee, Susan Newman or John Chacon showed you?

6 A No.

7 Q Let me clarify. You only ever saw documents  
8 covering ad rep compensation based on what Nyoka Lee,  
9 Susan Newman or John Chacon showed you; right?

10 MR. LEVY: Objection to form.

11 BY MR. PHADKE:

12 Q I need an audible, verbal response.

13 A That's the only way I saw it.

14 Q That's the only way you saw it?

15 A Yeah.

16 Q And you never got -- reviewed yourself -- based  
17 on any ad rep performance review; right?

18 A No.

19 Q And you were also never a financial aid officer;  
20 right?

21 A No.

22 Q You were never involved in making decisions about  
23 whether a student was eligible for financial aid?

24 A No. I was only the test proctor.

25 Q And as part of your work as a test proctor, no

1 DOA ever sent you any spreadsheets showing DOA or ad rep  
2 enrollment numbers; right?

3 A No.

4 Q Now, for your compensation, you submitted  
5 invoices to Corinthian for each pay period; right?

6 A That's correct.

7 Q Those invoices covered the money you were owed  
8 for a pay period based on your hourly rate?

9 A Yes.

10 MR. PHADKE: Okay. I'd like to introduce two  
11 exhibits.

12 (Exhibit 38 was marked for identification and  
13 is attached hereto.)

14 (Exhibit 39 was marked for identification and  
15 is attached hereto.)

16 MR. PHADKE: There -- there's a copy for you. I  
17 apologize.

18 MS. YOUNG: Here you go.

19 MR. LEVY: Okay. Thank you. So this is going to be  
20 Exhibit 38.

21 MS. YOUNG: Oh, are there two different documents?

22 MR. CALHOUN: Yeah.

23 MS. YOUNG: Scott, for you.

24 MR. LEVY: No, I gave them the other --

25 MS. YOUNG: Oh, you did?

1 Q And after you stopped working for Corinthian, did  
2 you get other employment?

3 A Since 2009?

4 Q Yeah, after January 2009.

5 A No.

6 Q So you left Corinthian because they weren't (sic)  
7 paying you late and then you didn't seek other employment?

8 A No. I did look for work, but I didn't find any.

9 Q And there was -- there were no other reasons for  
10 your leaving Corinthian?

11 A No.

12 Q So earlier today we talked about Susan Newman and  
13 John Chacon; right?

14 A Yes.

15 Q And you said that you had two dinners with Susan  
16 Newman and a meeting at her house at the -- when you first  
17 started thinking about this case; right?

18 A Yes.

19 Q What was the first of those meetings?

20 A The one in San Jose.

21 Q That was the dinner in San Jose?

22 A Yeah.

23 Q Who was at that dinner?

24 A Myself, Susan, John Chacon, Mr. Levy and Mr. Mark  
25 Labaton.

1 Q Do you remember when that dinner was?

2 A What year?

3 Q Was it in 2006?

4 A I think so. I'm not positive.

5 Q So you think the dinner was in 2006. And Ms. Lee  
6 was not there?

7 A No.

8 MR. LEVY: Objection to form.

9 THE WITNESS: No.

10 BY MR. PHADKE:

11 Q And the list of people you recited was a complete  
12 list of who was there?

13 A Yes, correct. Yeah.

14 Q And what did you talk about at that dinner?

15 A What did we talk about? Problems with how  
16 Corinthian Schools and -- no, IBT -- both of those schools  
17 were operating.

18 MS. YOUNG: Can I have that read back? I didn't hear.  
19 I'm sorry.

20 (Record read as follows:

21 "Q What did we talk about? Problems with how  
22 Corinthian Schools and -- no, IBT -- both of those  
23 schools were operating.")

24 BY MR. PHADKE:

25 Q Did Ms. Newman set up that dinner?



1 A I'm not sure who set that up.

2 Q Did you set up that dinner?

3 A No, they called me in to the meeting.

4 Q Who called you?

5 A I think that was Susan that called me.

6 Q And what did Susan say?

7 A She would like for me to come to this meeting.

8 Q Did she say why she wanted you to come to the  
9 meeting?

10 A Yes.

11 Q What did she say?

12 A She would like to -- for me to be involved and  
13 take a look at what was going on.

14 Q And what was going on? Did she say what was  
15 going on?

16 A Yes.

17 Q What did she say was going on?

18 A The practices of both those schools.

19 Q Before you discussed the practices of IBT and  
20 Corinthian, had you ever thought about Corinthian  
21 committing a fraud against the federal government?

22 A I was aware of -- aware of how they treated their  
23 students.

24 Q But before you talked about IBT and Corinthian at  
25 that dinner in 2006, had you ever thought about how

1 Corinthian was committing a fraud against the federal  
2 government?

3 MR. LEVY: Objection to form.

4 THE WITNESS: I thought about how they were committing  
5 a fraud against their students.

6 BY MR. PHADKE:

7 Q And what was the fraud against their students  
8 that you thought about?

9 A Enrolling students and then not able to get them  
10 jobs and charging 'em money.

11 Q Okay. So you thought that Corinthian was  
12 committing a fraud by enrolling students who had no job  
13 prospects after they completed their graduation?

14 A That's correct, yeah.

15 Q And you thought that was a fraud against the  
16 Government?

17 A If that's how they got their money, yes.

18 Q And was that the -- was that the only fraud you  
19 had thought about that Corinthian was committing against  
20 the federal government?

21 A As far as that they were committing against their  
22 students?

23 Q Yes. The one you just described.

24 A Yes.

25 Q And you didn't think of any other sort of bad

1 actions being taken by Corinthian before that dinner?

2 A Yeah, actions they took against me and other  
3 people that worked there.

4 Q What were those actions?

5 A It's hard to describe how they -- in the normal  
6 politics of a company, some people are favorites and  
7 others aren't; and some people are treated differently  
8 than others. You know, that type of thing.

9 Q So did you feel you were disfavored at  
10 Corinthian?

11 A If -- I had conflict with admissions rep because  
12 of their practices. I was in charge of what I was doing  
13 and sometimes there was conflict with admission reps.

14 Q But that didn't constitute a fraud against the  
15 federal government; right?

16 MR. LEVY: Objection. Form.

17 BY MR. PHADKE:

18 Q Did you think that constituted a fraud against  
19 the federal government at the time?

20 MR. LEVY: Objection. Form.

21 THE WITNESS: It was a fraud against the people  
22 involved.

23 BY MR. PHADKE:

24 Q So before that dinner, you thought that  
25 Corinthian was committing a fraud against the federal

1 objection is appropriate for the communications you had  
2 before --

3 MR. LEVY: I absolutely -- I absolutely think it's  
4 appropriate. All communications with counsel,  
5 anticipation of hiring counsel, are covered by the  
6 privilege.

7 I instruct the witness not to answer.

8 BY MR. PHADKE:

9 Q Were you looking for legal advice from Mr. Levy  
10 when you came to that dinner?

11 A Oh, I was just advised to come and see what was  
12 going on.

13 Q So you weren't looking for -- for legal advice  
14 from Mr. Levy at the start of the dinner?

15 A I didn't know what was going on at the start of  
16 the dinner.

17 Q Okay. And were -- there were, at that dinner,  
18 present, Mr. Chacon and Ms. Newman; correct?

19 A Yes.

20 Q And they were there for the whole dinner;  
21 correct?

22 A Yes.

23 Q And they heard everything that was said at that  
24 dinner; correct?

25 A Yes, uh-huh.

1 Q And are Mr. Chacon or Ms. Newman your co-relators  
2 in this action?

3 A Now?

4 Q Yes.

5 A No.

6 Q Were they ever your co-relators in this action?

7 A In the -- in the beginning.

8 Q In the beginning?

9 A Yes.

10 Q Were they your co-relators -- how long were they  
11 your co-relators in this action?

12 A I don't remember the specific time.

13 Q Were they your co-relators in this action when  
14 you filed the Complaint in 2007?

15 A I'm not sure.

16 Q So you -- you just remember them being your  
17 co- -- co-relators in this action at some point?

18 A Yeah.

19 Q And you don't know when that point was?

20 A In the beginning.

21 Q In the beginning of this case?

22 A Yeah.

23 Q But when you came to that dinner --

24 A I think.

25 Q -- you were not looking for legal advice?

1 A No.

2 Q What was said at the start of the dinner, if you  
3 remember?

4 A I don't remember.

5 Q Do you remember who started talking?

6 A No.

7 Q Did you start talking?

8 A I just welcome -- welcome -- we talked and, you  
9 know, "How you doing," you know, general conversation, at  
10 the start of the meeting, yeah.

11 Q Did someone else bring up Corinthian?

12 A Yes.

13 Q Who brought up Corinthian?

14 A I don't remember who exactly brought it up, what  
15 individual brought it up.

16 Q But it was --

17 A It was Susan or --

18 Q That's all right.

19 A Yeah.

20 Q You can finish.

21 A It could have been Susan, more than -- more than  
22 likely.

23 Q It was more than likely Susan --

24 A Yeah, uh-huh.

25 Q -- who brought up Corinthian?

1           And what did Susan say about Corinthian, if you  
2 remember?

3           A     It was about the practices and admissions.

4           Q     So did Susan bring up the practice of paying ad  
5 reps incentive compensation?

6           A     Not that -- you know, I don't remember if there  
7 was a -- one thing in particular that she said, you know.

8           Q     But she brought up the problems with -- with ad  
9 reps?

10          A     Yeah.

11          Q     And do you remember the problems that she brought  
12 up?

13          A     No.

14          Q     And did Mr. Levy or Labaton say anything about ad  
15 reps?

16          A     I don't remember exactly what the conversation  
17 was, but possibly.

18          Q     Okay. Before you decided to retain counsel at  
19 that dinner, did anybody bring up lawsuits that had been  
20 brought against for-profit colleges about ad reps?

21          A     Not that I can remember.

22          Q     Was that discussed at that dinner?

23          A     Not that I can remember.

24          Q     Do you remember anything that was discussed at  
25 that dinner?

1 A No, it's been some time ago, I don't -- I can't  
2 recall.

3 Q So you can't remember anything then?

4 A No. Vaguely.

5 Q What do you remember?

6 MR. LEVY: Objection. Asked and answered.

7 THE WITNESS: I don't remember, you know -- you know,  
8 my memory's vague on -- on all of that.

9 BY MR. PHADKE:

10 Q Did Ms. Newman discuss lawsuits she was  
11 bringing -- she was bringing as a relator against other  
12 for-profit colleges?

13 A No.

14 Q But you said you learned about that later on?

15 A Yes.

16 Q And that -- and you learned about that before you  
17 filed the Complaint in this case in March 2007?

18 A Yes.

19 Q And you don't remember anything about that dinner  
20 besides what you've testified to at this point?

21 A No.

22 Q Did somebody suggest that you contact Ms. Lee?

23 A No.

24 Q Did you contact Ms. Lee after that dinner?

25 A I suggested her.



1 Q So you suggested --

2 A Yes.

3 Q -- that Ms. Lee --

4 A Yes.

5 Q -- be contacted in connection with this case?

6 Let me get the record clear.

7 You suggested at that dinner that Ms. Lee be  
8 contacted?

9 A Yes.

10 Q Why did you suggest that?

11 A Because she worked at the Corinthian Schools.

12 Q And was it because she worked as an admissions  
13 rep at Corinthian?

14 A As well as admissions director.

15 Q Was she working with Corinthian at the time?

16 A I don't think she was.

17 Q So this is after she had left Corinthian in --

18 A I think so.

19 Q -- May 2005?

20 A Yes.

21 Q And then did you then get in touch with Ms. Lee  
22 after that dinner?

23 A Yes.

24 Q And what did you say to Ms. Lee?

25 A I told her that she should come to the meeting.

1 Q Had you and the other members of -- other people  
2 who were at the dinner in San Jose discussed a follow-up  
3 meeting?

4 A I'm not sure.

5 Q So when you called Ms. Lee and you said, "You  
6 should come to the meeting," what meeting were you talking  
7 about?

8 A The one in San Mateo.

9 Q So when --

10 A The second meeting.

11 Q How was the second meeting set up?

12 A How?

13 Q Who suggested the second meeting?

14 A We all talked about it.

15 Q Everybody at the dinner in San Jose --

16 A Yes.

17 Q -- talked about the second meeting?

18 A Uh-huh.

19 Q Let me just get the record clear.

20 Everybody at the dinner in San Jose talked about  
21 a second meeting?

22 A Yes.

23 Q And you suggested bringing Ms. Lee to that second  
24 meeting?

25 A Yes.

1 Q Because she was an ad rep at Corinthian?

2 A Yes.

3 Q And at that first meeting you had discussed the  
4 possibility of suing Corinthian?

5 A Yes.

6 Q And that possibility was suggested by either  
7 Ms. Newman or Mr. Levy or Mr. Labaton?

8 MR. LEVY: Objection. You're asking for  
9 attorney-client communications. You know that.

10 I instruct the witness not to answer.

11 THE WITNESS: No, can't answer.

12 MR. LEVY: Meaning you're not answering on the advice  
13 of counsel; correct?

14 THE WITNESS: In advice of counsel.

15 BY MR. PHADKE:

16 Q So you said that during that first meeting in San  
17 Jose, at some point during the meeting, you -- you made a  
18 decision that you might retain counsel; correct?

19 A I made a decision then?

20 Q Did you?

21 A I thought about it. I mean I was thinking about  
22 it. I didn't make the decision.

23 Q So you started thinking about whether you were  
24 going to retain counsel at that first dinner in San -- in  
25 San Jose?

1 A Yes.

2 Q And before you started thinking about that, if  
3 you can remember, did somebody, either Ms. Newman or  
4 Mr. Levy or Mr. Labaton, bring up the possibility of suing  
5 Corinthian Colleges?

6 A No.

7 Q So you started thinking about retaining counsel  
8 just -- just -- just because?

9 A After that meeting.

10 Q So you started thinking of retaining counsel  
11 after the meeting?

12 A If there was any way to do that, you know. I --  
13 I -- I wasn't sure if there was any way to do that or if  
14 there was going to be a true follow-up, you know. I was  
15 just introduced to her.

16 Q What -- what made you think about retaining  
17 counsel? What happened before you started thinking about  
18 retaining counsel?

19 A The meeting.

20 Q So you didn't think about retaining counsel at  
21 the meeting?

22 A No.

23 Q Did you say anything to Counsel about the  
24 possibility of retaining counsel at that meeting?

25 A No.

1 Q So you didn't say anything to Mr. Levy  
2 or Mister --

3 A I was just as an observer.

4 Q So you didn't say anything to Mr. Levy or  
5 Mr. Labaton about the possibility of retaining counsel at  
6 that first meeting --

7 A No.

8 Q -- in San Jose?

9 Let me just get the record clear. You didn't say  
10 anything to Mr. Levy or Mr. Labaton about the possibility  
11 of retaining counsel at that first meeting?

12 A No.

13 Q And you started thinking about retaining counsel  
14 after the -- after that first meeting?

15 A Yeah, after listening to the input of everybody  
16 involved.

17 Q And when did you first discuss the possibility of  
18 retaining counsel?

19 A I think maybe after the second meeting.

20 Q After the second meeting --

21 A Yes.

22 Q -- you first discussed the possibility of  
23 retaining counsel with Mr. Levy and Mr. Labaton?

24 A Yes.

25 MR. PHADKE: Counsel, I don't see any basis for the

1 privilege.

2 MR. LEVY: Yeah, I think all communications in  
3 anticipation of litigation are clearly covered by the  
4 privilege. We've given you a lot of latitude on this.

5 It -- it's privileged and I'm instructing him not  
6 to answer.

7 MR. PHADKE: Counsel, there's case law that says the  
8 initial attorney-initiated contact before there's a --  
9 before there's an intent to --

10 MR. LEVY: And --

11 MR. PHADKE: -- initiate attorney-client relationship  
12 is not privileged.

13 MR. LEVY: And he didn't say this is  
14 attorney-initiated contact. You're saying that.

15 MR. PHADKE: Well, it was initiated by a third party  
16 named Susan Newman.

17 MR. LEVY: Is she an attorney?

18 MR. PHADKE: Well, she was a relator in two cases that  
19 you brought against other for-profit colleges.

20 MR. LEVY: And -- and she's not an attorney, and there  
21 is no -- he's not testified about attorney-initiated  
22 contact.

23 MR. PHADKE: No, but he has testified that he didn't  
24 think about retaining counsel until after the second --

25 MR. LEVY: The objection stands.

1 MR. PHADKE: And there were third parties present at  
2 the meeting.

3 MR. LEVY: And --

4 MR. PHADKE: I don't see how that's a confidential  
5 communication.

6 MR. LEVY: -- and -- and -- and they were co-relators.  
7 The objection stands.

8 BY MR. PHADKE:

9 Q At that meeting, did you think that Ms. Newman or  
10 Mr. Chacon were your -- were going to be in a lawsuit with  
11 you?

12 A Did I think at --

13 Q At --

14 A -- after the first meeting?

15 Q -- at -- at that meeting -- at that first one.

16 A Which one?

17 Q At that first one.

18 A No.

19 Q You didn't?

20 A Huh-uh.

21 Q At that first -- at that -- at the second dinner,  
22 did you think that Ms. Newman or Mr. Chacon were going to  
23 be in a lawsuit with you?

24 A No, I thought maybe there might be something, a  
25 possibility or whatever, no, I don't ....

1 Q Had you agreed to getting into a law -- to  
2 bringing a lawsuit with Ms. Newman or Mr. Chacon at the  
3 first dinner?

4 A No.

5 Q Did you agree at the second dinner?

6 A No.

7 Q Were there -- those discussions happened after  
8 the second dinner; right?

9 A Yes.

10 MR. CALHOUN: I'll get copies for you.

11 MR. LEVY: Thank you.

12 BY MR. PHADKE:

13 Q Now, you said you contacted Ms. -- Ms. Lee after  
14 the first dinner in San Jose?

15 A Yes.

16 Q What did you -- what did you tell Ms. Lee?

17 A I thought that she should be involved in this  
18 meeting.

19 Q In the second meeting in --

20 A Yes.

21 Q -- San Mateo?

22 A Uh-huh.

23 Q Why did you think that?

24 A Because she worked at Bry- -- or for Corinthian.

25 Q And what was the amount of time that took place



1 between the first meeting in San Jose and the second  
2 meeting in San Mateo?

3 A I'm not sure. I think it was a few days.

4 Q And did you ask anyone else to come to the second  
5 meeting besides Ms. Lee?

6 A No.

7 Q Did any --

8 A Excuse me. No.

9 Q Did anyone else come?

10 A No.

11 Q So at that second meeting, who was present?

12 A Mr. Levy, Mr. Labaton, John Chacon, Susan Newman  
13 and Nyoka Lee and myself.

14 Q And at that second meeting you still hadn't  
15 made -- thought about a second -- strike that.

16 At that second meeting, you still thought -- you  
17 still had not thought about obtaining counsel to bring a  
18 suit against Corinthian; right?

19 A I hadn't finalized any thoughts about that, no.

20 Q Had you discussed it with anybody?

21 A Yeah, we talked about it.

22 Q At the second meeting, you talked about?

23 A Yes.

24 Q But you had not talked about it at the first  
25 meeting; correct?

1           A     We talked about it at the first meeting too, but  
2 we didn't finalize it.

3           Q     So you hadn't finalized anything at the second  
4 meeting?

5           A     No, it was in formulation.

6           Q     Okay. And you formu- -- you formulated the  
7 retainer agreement after the second meeting; correct?

8           A     Yes. I didn't formulate it, no.

9           Q     Who formulated it?

10          A     The attorneys did.

11          Q     So Mr. Levy and Mr. Labaton formulated the  
12 retainer agreement?

13          A     Yes.

14          Q     And before that first dinner, you hadn't -- you  
15 hadn't thought about the possibility of suing Corinthian;  
16 correct?

17          A     No.

18          Q     And you only made your decision about suing -- to  
19 sue Corinthian after the second dinner; correct?

20          A     Yeah.

21          Q     And did you have any other communications besides  
22 these two dinners with Mr. Levy, Mr. Labaton, Susan Newman  
23 and John Chacon, where you talked about suing Corinthian?

24          A     After that?

25          Q     No --

1 whatever.

2 Q In the second meeting, did you eat dinner there?

3 A Yes.

4 Q And was that a nice place?

5 A Yes, a very nice place.

6 Q The place in San Mateo?

7 A Yeah.

8 Q Do you remember what place it was?

9 A I think in hearing discussion about that -- I  
10 think it was called "Van."

11 Q Could you spell that?

12 A V-A-N. I'm not even sure --

13 Q Okay.

14 A -- if that's correct, so ....

15 Q So you remember it being called "Van," in San  
16 Mateo?

17 A After hearing it discussed yesterday. I don't  
18 remember the name of the restaurant.

19 Q And --

20 A It was the first time I'd ever been to it.

21 Q And did you pay -- pay for that dinner?

22 A Did I pay for it?

23 Q Yes.

24 A No.

25 Q Did one of the attorneys pay for it?

1           A     I think we pitched in. I'm not sure. I don't  
2 know exactly -- know what went down.

3           Q     But you didn't pay for it?

4           A     No.

5           Q     Did people drink wine at that dinner? If you  
6 remember.

7           A     I don't remember.

8           Q     Just asking.

9                     Do you eat dinners with lawyers a lot?

10          A     No.

11          Q     So that was a pretty unique experience, that  
12 dinner?

13          A     I mean, I've dealt with attorneys before, but I  
14 haven't been out to dinner with them.

15          Q     And you haven't been out to dinner where you  
16 talked about a potential lawsuit?

17          A     No.

18          Q     Was that first dinner in the -- the one in San  
19 Jose -- was that the first time you've ever met or  
20 communicated with Mr. Levy or Mr. Labaton?

21          A     Yes.

22          Q     And at that dinner, Ms. Newman didn't tell you  
23 that she had been a client of Mr. Levy in  
24 another for-profit -- in another suit against a for-profit  
25 college?

1 A No.

2 Q And you were still working at Corinthian at the  
3 time; correct?

4 A I think I was working at IBT.

5 Q Okay. You were working at IBT?

6 A Yeah.

7 MR. LEVY: We'd like to take a break.

8 MR. PHADKE: Okay. Let me just finish up a couple  
9 questions and then we can.

10 Q And before that dinner with Mr. Levy and  
11 Mr. Labaton, did you have any idea that Corinthian was  
12 violating the ban on incentive compensation?

13 A I'm not sure if I was aware or not. I'm not  
14 sure.

15 Q You're not sure?

16 A No.

17 Q You have no recollection?

18 A No.

19 Q And how long after the second dinner did you  
20 retain Mr. Levy and Mr. Labaton as counsel?

21 A I don't know. I have -- I have to check the  
22 documents and the dates to give you that answer.

23 Q Do you have an estimate?

24 A No.

25 Q But it was after the second dinner?

1 Mr. Chicone's potential involvement in this case?

2 A Yes, at that dinner.

3 Q The first dinner in San Jose?

4 A Yes.

5 Q Do you know what a Program Participation  
6 Agreement is?

7 A No. Could you explain that to me?

8 Q Do you know what a PPA is?

9 A No.

10 Q So sitting here right now, without explanation  
11 from somebody else, you don't have any understanding of  
12 what a PPA is?

13 A I'm not familiar with that type of document,  
14 haven't had any need -- need to.

15 Q So you've never had to prepare a PPA for anybody  
16 before?

17 A As far as I know, no.

18 Q You've never reviewed a Program Participation  
19 Agreement, or PPA, at any point?

20 A Program Participation Agreement? No.

21 Q And you've never submitted a Program  
22 Participation Agreement to anybody?

23 A No.

24 Q Because you have no idea what it is?

25 A Until you mentioned it.

1 Q So you've heard me mention Program Participation  
2 Agreement?

3 A Just now.

4 Q And that's the first time you've --

5 A Yes.

6 Q -- ever heard of it?

7 A Uh-huh.

8 Q So the first time you -- just to get the record  
9 clear, the first time you've ever heard of a Program  
10 Participation Agreement was today when I asked you about  
11 it?

12 A That's correct.

13 Q Are you aware of any legal or regulatory  
14 requirements relating to recruiting or compensating  
15 recruiters?

16 A Aware of what?

17 Q Are you aware of any legal or regulatory  
18 requirements relating to the compensation of recruiters?

19 A No.

20 Q So you're not aware of any legal or regulatory  
21 requirements relating to the compensation of recruiters  
22 for for-profit schools?

23 A Legal or regulatory compensation, is that what --

24 Q No.

25 A -- you said?

1 Q No.

2 MR. LEVY: Objection to form.

3 BY MR. PHADKE:

4 Q Are you aware of any legal requirements that  
5 govern the compensation of recruiters at for-profit  
6 schools?

7 A I'm not sure. You know, I may be aware of it,  
8 but not the way you're presenting it.

9 Q Okay. Are you aware of any restrictions that  
10 limit how a for-profit school can pay its ad reps or  
11 recruiters?

12 A Vaguely.

13 Q You're vaguely familiar?

14 A Yeah.

15 Q But you have -- you don't have any clear  
16 understanding of legal restrictions that govern how a  
17 for-profit school can pay its ad reps or recruiters?

18 MR. LEVY: Objection to form.

19 MR. PHADKE: Can you repeat the question?

20 (Record read as follows:

21 "Q But you don't have any clear  
22 understanding of any legal restrictions that govern of how  
23 a for-profit school can pay its ad reps or  
24 recruiters?")

25 THE WITNESS: Vaguely.



1 BY MR. PHADKE:

2 Q What are those restrictions?

3 A I don't know. I can't name 'em off to you.

4 Q Can you generally describe what they do?

5 A Who?

6 Q What the restrictions restrict? Can you  
7 generally describe what those restrictions do?

8 A No.

9 Q So do you have any specific understanding of any  
10 legal requirements or restrictions on how for-profit  
11 schools can pay their ad reps or recruiting staff?

12 A Legal restrictions on how they pay 'em?

13 Q Yeah.

14 A Not to my knowledge.

15 Q Do you know what Title IV of the Higher Education  
16 Act is?

17 A Vaguely.

18 Q What is it?

19 A Title IV of the education program, I guess it has  
20 something legally to do with how they operate.

21 Q Do you have anything more specific to say about  
22 Title IV besides that?

23 A No. I would have to look at it again. I've  
24 looked at it before, but I don't remember what exactly it  
25 said.

1 Q When did you look at it?

2 A I don't remember.

3 Q Did you look at it after filing this lawsuit?

4 A I may have saw a copy of it before, because I've  
5 been involved in education for a number of years, so I --  
6 I can't exactly say when or -- it does kind of ring a  
7 bell.

8 Q Are you aware of any requirements under Title IV  
9 that pertain to this case?

10 A Yes, somewhat.

11 Q Which requirements are those?

12 A I can't name 'em.

13 Q So you're aware of requirements under Title IV  
14 that pertain to this case --

15 A Yes.

16 Q -- but you can't name any of them?

17 A No.

18 Q And when did you become aware of requirements  
19 under Title IV that pertain to this case?

20 A I don't know exactly when.

21 Q Did you -- were you aware of the requirements  
22 that pertain to Title IV that pertain to this case, before  
23 that dinner in San Jose in 2006?

24 A No.

25 Q So it's only after the dinner in San Jose in 2006

1 that you became aware of any requirements under Title IV  
2 that pertain to this case?

3 A Like I mentioned before, I -- I was maybe aware  
4 of Title IV, but not in any real essence of all the parts  
5 about it.

6 Q So none of this was provisions that could apply  
7 to this case -- you became -- you weren't aware of any of  
8 those before that dinner?

9 A I was aware of Title IV, but not in any real  
10 detail.

11 Q Okay. And not -- and you weren't aware of any of  
12 the specific provisions that apply to this case prior to  
13 that dinner?

14 A Could have, yeah.

15 Q But you don't know?

16 A I don't know.

17 MR. LEVY: Objection. Argument.

18 BY MR. PHADKE:

19 Q And you don't recall any requirements that apply  
20 to this case?

21 MR. LEVY: Objection. Argument.

22 BY MR. PHADKE:

23 Q You can answer.

24 A I'm aware of any -- can you --

25 Q And you're not aware of any legal requirements

1 Title IV that govern this case?

2 MR. LEVY: Objection to form.

3 THE WITNESS: Am I -- no. Not -- you know, not that I  
4 can ....

5 BY MR. PHADKE:

6 Q And you've never communicated with the federal  
7 government on behalf of Corinthian; correct?

8 A Yes.

9 Q When did you communicate with the federal  
10 government on behalf of Corinthian?

11 A Oh, on behalf of Corinthian?

12 Q Yes.

13 A No.

14 Q So you've never communicated on behalf of  
15 Corinthian with the federal government?

16 A No.

17 Q And have you ever seen or heard any  
18 communications between somebody who represents Corinthian  
19 and the federal government?

20 A Say that again.

21 Q Have you ever seen anybody who's representing  
22 Corinthian communicate with the federal government or have  
23 you ever observed such communications?

24 A In what -- in what capacity would they  
25 communicate with the federal government?

1 Q You have to answer the question.

2 MR. LEVY: Can you repeat the question, please?

3 (Record read as follows:

4 "Q Have you ever seen anybody who's  
5 representing Corinthian communicate with the federal  
6 government or have you ever observed such  
7 communications?")

8 MR. LEVY: I mean, that's confusing. Object.

9 MR. PHADKE: All right. I'll -- I'll restate.

10 Q Did you ever see or hear any communications  
11 between anyone representing Corinthian and someone at the  
12 federal government?

13 A At what capacity at the federal government? I --  
14 you know, it's not very clear, the question you're asking  
15 me. At the federal government? What do you mean?

16 Q It could be anybody at the federal government.  
17 So let me rephrase, get the full question out.

18 Did you ever see or hear any communications  
19 between anyone representing Corinthian and anybody at the  
20 federal government?

21 A Federal government is a -- one big entity, you  
22 know.

23 Q Do you need the question repeated?

24 A Yeah.

25 MR. LEVY: I thought he gave an answer. Go ahead.

1 (Record read as follows:

2 "Q It could be anybody at the federal.  
3 government. So let me rephrase, get the full  
4 question out.

5 "Did you ever see or hear any communications  
6 between anyone representing Corinthian and anybody at  
7 the federal government?")

8 MR. LEVY: And his response.

9 (Record read as follows:

10 "A Federal government is one big  
11 entity, you know.")

12 MR. PHADKE: Strike his response as nonresponsive.

13 MR. LEVY: I mean, I object to the argument with him.  
14 I think he's telling you the question is overbroad. Ask  
15 him another way.

16 MR. PHADKE: The question is perfectly clear.

17 THE WITNESS: At the federal government, that's too  
18 vague of a question for me to answer. Pinpoint it. What  
19 department in the federal government?

20 BY MR. PHADKE:

21 Q Have you ever seen any communications at all  
22 between anybody at Corinthian and anybody in any  
23 department of the federal government?

24 A Have I seen them do it, talk to somebody?

25 Q In any department of the federal government.

1 A Possibly. I'm not sure.

2 Q So you have no recollection of any  
3 communications --

4 MR. LEVY: Objection. He just said he's not sure; he  
5 didn't say he had no recollection.

6 THE WITNESS: I'm not sure.

7 BY MR. PHADKE:

8 Q And have you ever submitted any claim for payment  
9 to the federal government on behalf of Corinthian?

10 A Have I submitted any payment of -- or claim?  
11 What -- what was that?

12 MR. PHADKE: Could you repeat the question?

13 (Record read as follows:

14 "Q And have you ever submitted any claim for  
15 payment to the federal government on behalf of  
16 Corinthian?")

17 THE WITNESS: Your questions are, you know, kind of  
18 far-reached. I don't -- you know, I can't answer that.

19 BY MR. PHADKE:

20 Q Do you know that Corinthian makes claims for  
21 payment to the federal government?

22 A In their daily operations? I'm quite sure they  
23 must.

24 Q Have you ever submitted any claims --

25 A No, I haven't.

1 Q -- to Corinthian on behalf --

2 A I haven't.

3 Q -- to the federal government on behalf of  
4 Corinthian?

5 A No.

6 Q And you've never seen any claims to the federal  
7 government that were made on behalf of Corinthian; right?  
8 Have you ever seen any of those claims --

9 A No.

10 Q -- at Corinthian, made to the federal government  
11 for payment?

12 A No.

13 THE VIDEOGRAPHER: Two minutes left.

14 BY MR. PHADKE:

15 Q And you've never communicated to any state  
16 governments on behalf of Corinthian either; correct?

17 A No.

18 Q And have you ever seen any communications between  
19 anyone at Corinthian and anybody working for a state  
20 government?

21 A Have I seen them talk to someone? No, not as far  
22 as I can recall.

23 Q And you've never submitted any claims on behalf  
24 of Corinthian for payment by a state government?

25 A Me? No.



1 Q And you've never seen any claims for payment made  
2 by Corinthian to a state government?

3 A No.

4 Q And in your time working for Corinthian as an  
5 independent contractor, did you ever participate in any  
6 meetings involving school executives?

7 A Yes.

8 Q What meetings were those?

9 A With the president -- presidents of each one of  
10 those colleges I worked for.

11 Q Did you participate in any meetings with anybody,  
12 any executives from corporate?

13 A No.

14 Q So no Corinthian management, then?

15 A Some people from corporate may have spoke to me  
16 or said, "Hi, you're doing a good job" or that kind of  
17 thing.

18 Q But other than those kinds of incidental  
19 communications --

20 A No.

21 Q -- you never communicated with anybody from  
22 corporate?

23 A No.

24 Q And did you ever personally observe any  
25 communications or meetings with anybody from corporate?

1 A With anybody meeting with someone from corporate?  
2 Did I observe that? Yes, in passing.

3 Q What did you observe?

4 A That -- that they were meeting.

5 Q Did you actually sit in on the conversation?

6 A No.

7 Q Did you -- did you -- do you know what happened  
8 at those meetings?

9 A No.

10 THE VIDEOGRAPHER: Is this a good time for me to  
11 switch tapes over?

12 MR. PHADKE: Yes.

13 THE VIDEOGRAPHER: The video deposition is now going  
14 off record at 12:34 p.m. This will also conclude Video  
15 No. 2 in today's deposition.

16 (Interruption in proceedings.)

17 THE VIDEOGRAPHER: The videotape deposition of Talala  
18 Mshuja, Volume No. 1, is returning to record at 12:36 p.m.  
19 This will also begin Video No. 3 in today's deposition.  
20 Location is still 6 Hutton Centre Drive, 2nd Floor, in  
21 Santa Ana, California. The date is Tuesday,  
22 December 18th, 2012. And my name is Ali Saheb with Dean  
23 Jones Attorney Video Services of Los Angeles and Santa  
24 Ana, California.

25 ///

1 BY MR. PHADKE:

2 Q Do you know who David Moore is?

3 A No.

4 Q David Moore is one of the defendants in this  
5 action. Have you ever met him in person?

6 A No.

7 Q So you've never talked to him?

8 A No.

9 Q Have you ever received any communications from  
10 him?

11 A I'm not sure.

12 Q Have you ever heard of David Moore?

13 A Kind of vaguely remember, I've heard of him.

14 Q What do you remember about him?

15 A I don't know.

16 Q So the name's not --

17 A I mean, I've heard it mentioned in these  
18 depositions.

19 Q So other -- other than the -- what you've heard  
20 in yesterday's deposition of Ms. Lee and today's  
21 deposition, you haven't heard of David Moore?

22 A No.

23 Q And the name does not sound familiar?

24 A No.

25 Q So that would mean you never participated in any

1 communications or meetings with Mr. Moore?

2 A No.

3 Q And you've never observed any communications or  
4 meetings with Mr. Moore?

5 A No.

6 Q And you've never seen any documents that  
7 Mr. Moore authored or signed?

8 A Not that I can remember.

9 Q Do you know Jack Massimino?

10 A Do I know him personally? No.

11 Q So you've never met him in person or talked to  
12 him?

13 A No.

14 Q Have you ever received any communications from  
15 Mr. Massimino?

16 A I don't think so.

17 Q And you've never participated in any meetings  
18 with Mr. Massimino?

19 A No.

20 Q Have you ever seen any documents that  
21 Mr. Massimino signed?

22 A I don't remember.

23 Q Any -- any documents that Mr. Massimino authored?

24 A I don't remember.

25 Q But the name doesn't sound familiar in the least?

1 MR. LEVY: Objection. Form.

2 THE WITNESS: Vaguely. I just heard it --

3 BY MR. PHADKE:

4 Q How does it sound familiar?

5 A I just heard it mentioned.

6 Q So the only time you've heard of Jack Massimino  
7 is at today's deposition and at yesterday's deposition --

8 A Yeah.

9 Q -- of Ms. Lee?

10 A That's true.

11 Q Now, before filing the first Complaint in this  
12 action in March of 2007, did you ever express to anyone at  
13 Corinthian, who was still working at Corinthian, a concern  
14 about how ad reps were compensated?

15 A Did I ever talk to anyone about it?

16 Q Did you ever complain about it, to anyone?

17 A Did I complain about it to anyone? No.

18 Q So you never raised any sort of issue or  
19 complaint about the way ad reps were compensated at  
20 Corinthian?

21 A No.

22 MR. LEVY: Other than the lawsuit?

23 BY MR. PHADKE:

24 Q Prior to this lawsuit, you never raised any  
25 complaint about how ad reps were compensated at

1 question.

2 MR. PHADKE: It's fine. I'll -- I'll rephrase.

3 Q When did it first cross your mind that Corinthian  
4 was committing a -- committing the fraud described in this  
5 Complaint?

6 A When I started working at the school and got  
7 immersed in through the operations of the school.

8 Q But previously you said that you hadn't -- you --  
9 you hadn't thought of Corinthian -- you hadn't thought of  
10 Corinthian defrauding the Government except for its -- the  
11 way it treated its students, prior to meeting Mr. Levy.

12 MR. LEVY: Objection to form.

13 THE WITNESS: I hadn't thought of it? Yes, I did  
14 think of it.

15 BY MR. PHADKE:

16 Q Has it ever crossed your mind that Corinthian  
17 wasn't following its own compensation policies?

18 A Compensation to?

19 MR. PHADKE: You can repeat the question.

20 (Record read as follows:

21 "Q Has it ever crossed your mind that  
22 Corinthian wasn't following its own compensation  
23 policies?")

24 THE WITNESS: It's too vague for me to answer.

25 MR. LEVY: I want a two-minute break, that's it. Two

1 minutes off the record.

2 MR. PHADKE: Counsel, I just want to get an answer to  
3 this question.

4 Q Has it ever crossed your mind that Corinthian  
5 wasn't following its compensation policies for ad reps or  
6 DOAs?

7 A No.

8 Q Thank you.

9 THE VIDEOGRAPHER: The video deposition is now going  
10 off record at 12:47 p.m.

11 (Recess taken.)

12 THE VIDEOGRAPHER: The video deposition is now  
13 returning to record at 2:21 p.m.

14 BY MR. PHADKE:

15 Q Mr. Mshuja?

16 A Yes.

17 Q Do you recall that you're under oath?

18 A Yes.

19 Q And that everything you testify will be truthful?

20 A Uh-huh.

21 Q Okay. Just one question about what we talked  
22 about earlier today. Is IBT a Corinthian College school?

23 A No.

24 Q So IBT is not part of Corinthian?

25 A No.

1 Q And the printed research that you said you had  
2 looked at in preparation for this deposition, do you still  
3 have -- have copies of that printed research?

4 MR. LEVY: Objection. Form.

5 THE WITNESS: No.

6 BY MR. PHADKE:

7 Q You -- you threw away the printed copies?

8 A Yeah, probably threw it in the fireplace, get my  
9 fire going.

10 Q Is that what you do with -- is that what -- what  
11 you did with all the documents that you reviewed --

12 A No.

13 Q -- before you prepared for this deposition?

14 A No.

15 Q What did you do with the remainder of the  
16 documents?

17 A They're at home.

18 Q Why did you throw those documents away into the  
19 fireplace?

20 A Because I feel that I didn't need 'em.

21 Q Had you been told by your attorney to preserve  
22 any documents that you use to refresh your recollection  
23 for this deposition?

24 A No. Normally I do keep the documents.

25 Q But in this case you did not?



1 A The ones that I mentioned that I threw away, no.

2 Q Also, earlier today we discussed two meetings  
3 that you had, one at the house of Susan Newman and the  
4 other at the house of John Chacon.

5 Do you recall that?

6 A I never met at John's place.

7 Q So you only met at Susan's house?

8 A Yes.

9 Q So was there only one meeting then at Susan's  
10 house?

11 A I just happened to stop by there.

12 MS. YOUNG: I'm sorry, I didn't hear that answer.

13 (Record read as follows:

14 "Q I just happened to stop by there.")

15 MS. YOUNG: Okay. Thank you.

16 BY MR. PHADKE:

17 Q When did you stop by Ms. Newman's house?

18 A A few years ago.

19 Q Do you recall if it was before or after the  
20 dinner that we've discussed in --

21 A It was after the dinner.

22 Q -- San Jose? It was after the dinner in San  
23 Jose?

24 A Yes.

25 Q Was it after the dinner we've discussed in San

1 discovery requests that defendants provided the relators  
2 in this case, seeking all documents that are relevant to  
3 your claims or defenses?

4 A Could you repeat that?

5 MR. PHADKE: Strike that.

6 I'd like to introduce an exhibit. I'd like to  
7 mark this as Exhibit 40.

8 (Exhibit 40 was marked for identification and  
9 is attached hereto.)

10 BY MR. PHADKE:

11 Q These are documents Bates-stamped R-1 to  
12 R-4- -- these are documents Bates-stamped R-0001 to  
13 R-00402; and R-00408 to R-00789, that were produced by  
14 your counsel to us in this action.

15 Have -- have you ever seen these documents  
16 before?

17 A All of them?

18 Q Yes. Answer if you can.

19 A I don't recall if I've seen 'em all. I've seen  
20 some of 'em. I guess I've seen some of 'em. I don't know  
21 what I've got here.

22 Q Yesterday you attended the deposition of your  
23 co-relator, Ms. Lee; correct?

24 A Yes.

25 Q And do you recall during that deposition your